



(Original Signature of Member)

117TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

To amend title XVIII of the Social Security Act to provide for the distribution of additional residency positions, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

Ms. SEWELL introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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**A BILL**

To amend title XVIII of the Social Security Act to provide for the distribution of additional residency positions, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Resident Physician  
5 Shortage Reduction Act of 2021”.

1 **SEC. 2. DISTRIBUTION OF ADDITIONAL RESIDENCY POSI-**  
2 **TIONS.**

3 (a) IN GENERAL.—Section 1886(h) of the Social Se-  
4 curity Act (42 U.S.C. 1395ww(h)) is amended—

5 (1) in paragraph (4)(F)(i), by striking “para-  
6 graphs (7), (8), and (9)” and inserting “paragraphs  
7 (7), (8), (9), and (10)”;

8 (2) in paragraph (4)(H)(i), by striking “para-  
9 graphs (7), (8), and (9)” and inserting “paragraphs  
10 (7), (8), (9), and (10)”;

11 (3) in paragraph (7)(E), by inserting “para-  
12 graph (10),” after “paragraph (8),”; and

13 (4) by adding at the end the following new  
14 paragraph:

15 “(10) DISTRIBUTION OF ADDITIONAL RESI-  
16 DENCY POSITIONS.—

17 “(A) ADDITIONAL RESIDENCY POSI-  
18 TIONS.—

19 “(i) IN GENERAL.—For each of fiscal  
20 years 2023 through 2029 (and succeeding  
21 fiscal years if the Secretary determines  
22 that there are additional residency posi-  
23 tions available to distribute under clause  
24 (iv)(II)), the Secretary shall, subject to  
25 clause (ii) and subparagraph (D), increase  
26 the otherwise applicable resident limit for

1 each qualifying hospital (as defined in sub-  
2 paragraph (H)) that submits a timely ap-  
3 plication under this subparagraph by such  
4 number as the Secretary may approve for  
5 portions of cost reporting periods occurring  
6 on or after July 1 of the fiscal year of the  
7 increase.

8 “(ii) NUMBER AVAILABLE FOR DIS-  
9 TRIBUTION.—For each such fiscal year,  
10 the Secretary shall determine the total  
11 number of additional residency positions  
12 available for distribution under clause (i)  
13 in accordance with the following:

14 “(I) ALLOCATION TO HOSPITALS  
15 ALREADY OPERATING OVER RESIDENT  
16 LIMIT.—One-third of such number  
17 shall be available for distribution only  
18 to hospitals described in subparagraph  
19 (B).

20 “(II) AGGREGATE LIMITATION.—  
21 Except as provided in clause (iv)(I),  
22 the aggregate number of increases in  
23 the otherwise applicable resident limit  
24 under this subparagraph shall be  
25 equal to 2,000 in each such year.

1 “(iii) PROCESS FOR DISTRIBUTING  
2 POSITIONS.—

3 “(I) ROUNDS OF APPLICA-  
4 TIONS.—The Secretary shall initiate 7  
5 separate rounds of applications for an  
6 increase under clause (i), 1 round  
7 with respect to each of fiscal years  
8 2023 through 2029.

9 “(II) NUMBER AVAILABLE.—In  
10 each of such rounds, the aggregate  
11 number of positions available for dis-  
12 tribution in the fiscal year under  
13 clause (ii) shall be distributed, plus  
14 any additional positions available  
15 under clause (iv).

16 “(III) TIMING.—The Secretary  
17 shall notify hospitals of the number of  
18 positions distributed to the hospital  
19 under this paragraph as a result of an  
20 increase in the otherwise applicable  
21 resident limit by January 1 of the fis-  
22 cal year of the increase. Such increase  
23 shall be effective for portions of cost  
24 reporting periods beginning on or  
25 after July 1 of that fiscal year.

1 “(iv) POSITIONS NOT DISTRIBUTED  
2 DURING THE FISCAL YEAR.—

3 “(I) IN GENERAL.—If the num-  
4 ber of resident full-time equivalent po-  
5 sitions distributed under this para-  
6 graph in a fiscal year is less than the  
7 aggregate number of positions avail-  
8 able for distribution in the fiscal year  
9 (as described in clause (ii), including  
10 after application of this subclause),  
11 the difference between such number  
12 distributed and such number available  
13 for distribution shall be added to the  
14 aggregate number of positions avail-  
15 able for distribution in the following  
16 fiscal year.

17 “(II) EXCEPTION IF POSITIONS  
18 NOT DISTRIBUTED BY END OF FISCAL  
19 YEAR 2029.—If the aggregate number  
20 of positions distributed under this  
21 paragraph during the 7-year period of  
22 fiscal years 2023 through 2029 is less  
23 than 14,000, the Secretary shall, in  
24 accordance with the provisions of  
25 clause (ii) and subparagraph (E) and

1 the considerations and priority de-  
2 scribed in subparagraph (C), conduct  
3 an application and distribution proc-  
4 ess in each subsequent fiscal year  
5 until such time as the aggregate  
6 amount of positions distributed under  
7 this paragraph is equal to 14,000.

8 “(B) ALLOCATION OF DISTRIBUTION FOR  
9 POSITIONS TO HOSPITALS ALREADY OPERATING  
10 OVER RESIDENT LIMIT.—

11 “(i) IN GENERAL.—Subject to clauses  
12 (ii) and (iii), in the case of a hospital in  
13 which the reference resident level of the  
14 hospital (as specified in subparagraph  
15 (G)(iii)) is greater than the otherwise ap-  
16 plicable resident limit, the increase in the  
17 otherwise applicable resident limit under  
18 subparagraph (A) for a fiscal year de-  
19 scribed in such subparagraph shall be an  
20 amount equal to the product of the total  
21 number of additional residency positions  
22 available for distribution under subpara-  
23 graph (A)(ii)(I) for such fiscal year and  
24 the quotient of—

1 “(I) the number of resident posi-  
2 tions by which the reference resident  
3 level of the hospital exceeds the other-  
4 wise applicable resident limit for the  
5 hospital; and

6 “(II) the number of resident po-  
7 sitions by which the reference resident  
8 level of all such hospitals with respect  
9 to which an application is approved  
10 under this paragraph exceeds the oth-  
11 erwise applicable resident limit for  
12 such hospitals.

13 “(ii) REQUIREMENTS.—A hospital de-  
14 scribed in clause (i)—

15 “(I) is not eligible for an increase  
16 in the otherwise applicable resident  
17 limit under this subparagraph unless  
18 the amount by which the reference  
19 resident level of the hospital exceeds  
20 the otherwise applicable resident limit  
21 is not less than 10 and the hospital  
22 trains at least 25 percent of the full-  
23 time equivalent residents of the hos-  
24 pital in primary care and general sur-

1                    gery (as of the date of enactment of  
2                    this paragraph); and

3                    “(II) shall continue to train at  
4                    least 25 percent of the full-time equiv-  
5                    alent residents of the hospital in pri-  
6                    mary care and general surgery for the  
7                    5-year period beginning on such date.

8                    In the case where the Secretary determines  
9                    that a hospital described in clause (i) no  
10                   longer meets the requirement of subclause  
11                   (II), the Secretary may reduce the other-  
12                   wise applicable resident limit of the hos-  
13                   pital by the amount by which such limit  
14                   was increased under this subparagraph.

15                   “(iii) CLARIFICATION REGARDING ELI-  
16                   GIBILITY FOR OTHER ADDITIONAL RESI-  
17                   DENCY POSITIONS.—Nothing in this sub-  
18                   paragraph shall be construed as preventing  
19                   a hospital described in clause (i) from ap-  
20                   plying for and receiving additional resi-  
21                   dency positions under this paragraph that  
22                   are not reserved for distribution under this  
23                   subparagraph.

24                   “(C) DISTRIBUTION OF OTHER POSI-  
25                   TIONS.—For purposes of determining an in-



crease in the otherwise applicable resident limit under subparagraph (A) (other than such an increase described in subparagraph (B)), the following shall apply:

“(i) CONSIDERATIONS IN DISTRIBUTION.—In determining for which hospitals such an increase is provided under subparagraph (A), the Secretary shall take into account the demonstrated likelihood of the hospital filling the positions made available under this paragraph within the first 5 cost reporting periods beginning after the date the increase would be effective, as determined by the Secretary.

“(ii) MINIMUM DISTRIBUTION FOR CERTAIN CATEGORIES OF HOSPITALS.—With respect to the aggregate number of such positions available for distribution under this paragraph, the Secretary shall distribute not less than 10 percent of such aggregate number to each of the following categories of hospitals:

“(I) Hospitals that are located in a rural area (as defined in subsection (d)(2)(D)) or are treated as being lo-

1 cated in a rural area pursuant to sub-  
2 section (d)(8)(E).

3 “(II) Hospitals in which the ref-  
4 erence resident level of the hospital  
5 (as specified in subparagraph (F)(iii))  
6 is greater than the otherwise applica-  
7 ble resident limit.

8 “(III) Hospitals in States with—

9 “(aa) new medical schools  
10 that received ‘Candidate School’  
11 status from the Liaison Com-  
12 mittee on Medical Education or  
13 that received ‘Pre-Accreditation’  
14 status from the American Osteo-  
15 pathic Association Commission  
16 on Osteopathic College Accredita-  
17 tion on or after January 1, 2000,  
18 and that have achieved or con-  
19 tinue to progress toward ‘Full  
20 Accreditation’ status (as such  
21 term is defined by the Liaison  
22 Committee on Medical Edu-  
23 cation) or toward ‘Accreditation’  
24 status (as such term is defined  
25 by the American Osteopathic As-

1                   sociation Commission on Osteo-  
2                   pathic College Accreditation); or  
3                   “(bb) additional locations  
4                   and branch campuses established  
5                   on or after January 1, 2000, by  
6                   medical schools with ‘Full Ac-  
7                   creditation’ status (as such term  
8                   is defined by the Liaison Com-  
9                   mittee on Medical Education) or  
10                  ‘Accreditation’ status (as such  
11                  term is defined by the American  
12                  Osteopathic Association Commis-  
13                  sion on Osteopathic College Ac-  
14                  creditation).

15                  “(IV) Hospitals that serve areas  
16                  designated as health professional  
17                  shortage areas under section  
18                  332(a)(1)(A) of the Public Health  
19                  Service Act, as determined by the Sec-  
20                  retary.

21                  “(D) PROHIBITION ON DISTRIBUTION TO  
22                  HOSPITALS WITHOUT AN INCREASE AGREE-  
23                  MENT.—No increase in the otherwise applicable  
24                  resident limit of a hospital may be made under  
25                  subparagraph (C) unless such hospital agrees to

1           increase the total number of full-time equivalent  
2           residency positions under the approved medical  
3           residency training program of such hospital by  
4           the number of such positions made available by  
5           such increase under the subparagraph.

6           “(E) LIMITATION.—

7                   “(i) IN GENERAL.—Except as pro-  
8                   vided in clause (ii), a hospital may not re-  
9                   ceive more than 75 full-time equivalent ad-  
10                  ditional residency positions in the aggre-  
11                  gate under this paragraph and paragraph  
12                  (9) over the period of fiscal years 2023  
13                  through 2029.

14                   “(ii) INCREASE IN NUMBER OF ADDI-  
15                   TIONAL POSITIONS A HOSPITAL MAY RE-  
16                   CEIVE.—The Secretary shall increase the  
17                   aggregate number of full-time equivalent  
18                   additional residency positions a hospital  
19                   may receive under this paragraph over  
20                   such period if the Secretary estimates that  
21                   the number of positions available for dis-  
22                   tribution under subparagraph (A) exceeds  
23                   the number of applications approved under  
24                   such subparagraph over such period.

1           “(F) APPLICATION OF PER RESIDENT  
2 AMOUNTS FOR PRIMARY CARE AND NONPRI-  
3 MARY CARE.—With respect to additional resi-  
4 dency positions in a hospital attributable to the  
5 increase provided under this paragraph, the ap-  
6 proved FTE per resident amounts are deemed  
7 to be equal to the hospital per resident amounts  
8 for primary care and nonprimary care com-  
9 puted under paragraph (2)(D) for that hospital.

10           “(G) PERMITTING FACILITIES TO APPLY  
11 AGGREGATION RULES.—The Secretary shall  
12 permit hospitals receiving additional residency  
13 positions attributable to the increase provided  
14 under this paragraph to, beginning in the fifth  
15 year after the effective date of such increase,  
16 apply such positions to the limitation amount  
17 under paragraph (4)(F) that may be aggre-  
18 gated pursuant to paragraph (4)(H) among  
19 members of the same affiliated group.

20           “(H) DEFINITIONS.—In this paragraph:

21           “(i) OTHERWISE APPLICABLE RESI-  
22 DENT LIMIT.—The term ‘otherwise appli-  
23 cable resident limit’ means, with respect to  
24 a hospital, the limit otherwise applicable  
25 under subparagraphs (F)(i) and (H) of

1 paragraph (4) on the resident level for the  
2 hospital determined without regard to this  
3 paragraph but taking into account para-  
4 graphs (7)(A), (7)(B), (8)(A), and (8)(B).

5 “(ii) REFERENCE RESIDENT LEVEL.—  
6 Except as otherwise provided in subclause  
7 (II), the term ‘reference resident level’  
8 means, with respect to a hospital, the resi-  
9 dent level for the most recent cost report-  
10 ing period of the hospital ending on or be-  
11 fore the date of enactment of this para-  
12 graph, for which a cost report has been  
13 settled (or, if not, submitted (subject to  
14 audit)), as determined by the Secretary.

15 “(iii) RESIDENT LEVEL.—The term  
16 ‘resident level’ has the meaning given such  
17 term in paragraph (7)(C)(i).

18 “(iv) QUALIFYING HOSPITAL.—The  
19 term ‘qualifying hospital’ means a hospital  
20 described in subparagraph (B)(i) or any of  
21 subclauses (I) through (IV) of subpara-  
22 graph (C)(ii).”.

23 (b) IME.—Section 1886(d)(5)(B) of the Social Secu-  
24 rity Act (42 U.S.C. 1395ww(d)(5)(B)) is amended—

1 (1) in clause (v), in the third sentence, by strik-  
2 ing “subsections (h)(7), (h)(8), and (h)(9)” and in-  
3 serting “subsections (h)(7), (h)(8), (h)(9), and  
4 (h)(10)”; and

5 (2) by adding after clause (xii), as redesignated  
6 by subparagraph (A), the following new clause:

7 “(xiii) For discharges occurring on or  
8 after July 1, 2023, insofar as an additional  
9 payment amount under this subparagraph  
10 is attributable to resident positions distrib-  
11 uted to a hospital under subsection  
12 (h)(10), the indirect teaching adjustment  
13 factor shall be computed in the same man-  
14 ner as provided under clause (ii) with re-  
15 spect to such resident positions.”.

16 **SEC. 3. STUDY AND REPORT ON STRATEGIES FOR INCREAS-**  
17 **ING DIVERSITY.**

18 (a) STUDY.—The Comptroller General of the United  
19 States (in this section referred to as the “Comptroller  
20 General”) shall conduct a study on strategies for increas-  
21 ing the diversity of the health professional workforce. Such  
22 study shall include an analysis of strategies for increasing  
23 the number of health professionals from rural, lower in-  
24 come, and underrepresented minority communities, includ-

1 ing which strategies are most effective for achieving such  
2 goal.

3 (b) REPORT.—Not later than 2 years after the date  
4 of enactment of this Act, the Comptroller General shall  
5 submit to Congress a report on the study conducted under  
6 subsection (a), together with recommendations for such  
7 legislation and administrative action as the Comptroller  
8 General determines appropriate.